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KUWAIT PASS GENERAL PETRAEUS  
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FOR GENERAL PETRAEUS FROM AMBASSADOR SECHE

E.O. 12958: DECL: 07/22/2019

TAGS: PGOV PREL OTRA YM

SUBJECT: SCENESSETTER FOR CENTCOM COMMANDER PETRAEUS' JULY  
26 VISIT TO YEMEN

Classified By: Ambassador Stephen A. Seche for reasons 1.4 (b) and (d)

¶1. (C) General Petraeus, Embassy Sana'a warmly welcomes your return to Yemen. Since your last visit in November, we have seen little if any improvement in the political, security, and economic situations facing the country. Parliamentary elections scheduled for April were delayed by two years exacerbating existing unrest in the South to the point that there are now regular and continuing public demonstrations. Violence has ramped up in the northern governorate of Sa'ada, making the onset of the sixth round of that continuing conflict a real possibility. Al-Qaeda in the Arabian Peninsula (AQAP) has continued with its operational planning, and appears to be responsible for one recent attack, the kidnapping of nine foreign aid workers (and the murder of three) in Sa'ada. The whereabouts and well-being of the remaining six hostages is still unclear. Falling oil prices have forced the ROYG to recalculate its budget to account for drastically reduced revenues, and the Yemeni rial, after being stable for a long period, has begun to waver.

¶2. (C) On the positive side, the election of President Obama and his speech in Cairo were both well-received by the ROYG and Yemenis in general, creating a modest but noticeable increase in confidence in U.S. policy in the region. President Saleh himself has not been immune to this trend, and has made it known that he is eager to develop a strong, personal relationship with President Obama along the lines of that which he enjoyed with President Bush. During your meetings, your interlocutors will want to discuss or hear your views on the issues below.

CT Cooperation

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¶3. (S) Our training tempo with Yemeni security services has increased substantially in recent months, and the ROYG seems inclined to have this trend continue. We've also seen an improvement in intelligence-sharing and joint operational planning. Nevertheless, the lack of focused senior political engagement, stove-piping of information between services, weak CT laws, and an inability to conduct tactical assault operations in the tribal areas, continue to negatively affect Yemen's overall CT capabilities. After a protracted delay, the provision of 25 M113s appears to be moving towards closure, as the UAE has provided Jordan with the long-awaited payment, and a Yemeni MOD official travelled recently to Amman to inspect the vehicles prior to shipment. It appears however, that President Saleh continues to endorse negotiations with AQAP, apparently still believing that bartering and payments are an option in dealing with this threat to his regime. We assess, however, that even as he

employs this tactic, he has directed his senior security chiefs to pursue planning for operations that would target the top tier AQAP leadership; the thinking appears to be that once AQAP is decapitated, the remainder will be more inclined to negotiate some sort of modus vivendi.

¶4. (S) President Saleh may raise with you a perceived imbalance between levels of USG assistance devoted to counter-terrorism, and those available to address the nation's pressing development needs. You can tell him that USAID's budget for FY 09 is nearly \$43M, and is expected to increase in each of the out years up to and including 2011. You may wish to emphasize our view that continued military and counter-terrorism cooperation must go hand-in-hand with a holistic approach to overall stability that focuses on questions of economic stability, human development, and decentralization of authority. He may also ask for USG support in the ROYG's ongoing struggle with the Houthi rebels in northern Sa'ada governorate, posing the familiar argument that the Houthis are the tip of the Iranian/Hizballah spear in Yemen. We have yet to see evidence that supports this claim and, for this reason, have declined to provide military support.

¶5. (S) Cooperation with the Ministry of Interior continues to be an area of disappointment, after a brief period of greater receptivity to our needs following the September 17, 2008 attack on our embassy. Items promised in September, including investigative reports into the attack and valuable pieces of evidence, have still not been provided. Minister al-Masri, with whom you met during your previous visit, speaks helpfully but has not shown an ability or willingness to deliver. You may wish to emphasize to him that the

increased cooperation he seeks in terms of support for an expanded CSF/CTU presence in the eastern governorates must be reciprocal, and that follow through on the part of his ministry to our pending requests will allow for increased assistance and cooperation from the USG.

#### Guantanamo Detainees

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¶6. (S) As of this writing, the Obama Administration still has no concrete plan for the disposition of Yemeni detainees in GTMO, who constitute nearly 40 percent of the population there. The Saleh's regime's failure to secure their repatriation continues to be used by the President's critics against him. Earlier this year, President Saleh ) in an unexpected about-face - agreed to allow Yemeni nationals to be turned over to the Saudi rehabilitation program until a facility to house and rehabilitate them in Yemen can be prepared. The ROYG has designated a site for the rehabilitation center near Aden and is waiting for financial assistance to prepare it. (Note: Saleh continues to ask for this assistance, which is being discussed in Washington. The Saudis have offered to fund this facility and we support such an approach, as it will provide Saleh with important cover against his domestic critics, and enable Yemen to construct a facility that will be useful not just for GTMO returnees, but for the large, radicalized population already present in Yemen. End Note.) Saleh recently proposed that, in lieu of a freshly constructed center, the detainees be housed at the former U.S. Embassy compound in the center of Old Sana'a, which currently is being converted into a boutique hotel. This is an inappropriate location, and I suggested as much to the President when we met on July 20.

#### Obama Meeting

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¶7. (C) Saleh is very anxious to meet with President Obama and has raised the issue repeatedly. He may well use the occasion of your visit to raise it once again. If he does, I suggest you reply that I am coordinating closely with the White House on the timing of the visit, and that you understand that the only consideration is to schedule it in such a way as to maximize its success and highlight our close

and productive bilateral relationship.  
SECHE